



THE IMPACT OF GOOD GOVERNANCE ON SOCIO-ECONOMIC DEVELOPMENT IN BANAADIR REGION-SOMALIA

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ABSTRACT

As mentioned in the topic and noted in the problem statement, the general objective of this study was to know how good governance influences socio economic development or how the good Governance and socioeconomic development can interact in Somalia particularly Banadir region. To obtain the main objectives and concentrate on the research problem, the particular objectives of this study were: to know effect of participatory on socio-economic development. to examined impact of accountability on socio-economic development to determined the relationship between transparent and socio-economic development. to investigated the impact of good governance and socio economic development , The study was concerned good governance and socio-economic development in Somalia special Banadir region. However, the choice of this sample size is directed by the literature of Mercy Corps , Data was analyzed through inferential data analysis techniques special correlation analysis to describe the relationship between good governance and socio-economic development in local government of Banadir region, correlation defines as a measure of degree of association between two or more scores or between two or more variables that have been obtained from the same group of subjects By using Statistical Package for the Social Sciences (SPSS) version 16 techniques

Findings of result the majority respondent is positive that's result of two variable and Good governance is generally characterized by accessibility, accountability, predictability and transparency. Good also governance as having openness, participation, accountability, and transparency as key elements

INTRODUCTION

Socio economic development initiative is a way or system that promotes economic development at different levels that helps the improvement of living conditions of the society. Targeting establishing the foundations of microeconomic system at micro level is the way or system that socioeconomic system takes its roots to grow and develop. Socio economic development is very crucial and important to economic development and economists strongly believe that without socio economic development initiatives and minds economic growth can not be reached.

Good governance is better management and governance system that promotes the save guarding of properties, allows rights to have and increase property and resources that will encourage economic growth at

levels at personal, societal and national levels. It put or sets the foundations that are very important and effective for socio economic development first at micro level then to macro level in orderly manner. This will give the population of the nation or the country the opportunity to benefit the countries national resources or property. And as a result good governance encourages economic growth and development.

Governance is a broad notion. Etymologically, the word governance came from the Greek verb "Kubernan" (steer a ship or a tank.) It was used for the first time by Plato metaphorically to denote the fact of governing people which gave birth to the Latin verb "Gubernare" from which many terms have been generated in multiple languages. For instance, in French langu age, the terms "gouverner", "gouvernement", and



"gouvernance" are generated from the Latin term. The term of old French "gouvernance" was first used in the thirteenth century as the equivalent of "gouvernement" (art or manner of governing) and then, from 1478, to designate some northern areas of France that had a special administrative status. It passed into the English language in the fourteenth century, giving rise to the term governance (action or manner of governing). The English term governance was introduced to the economic literature in 1990's by the Anglo-Saxon economists and political scientists and international institutions (UN, World Bank and IMF in particular), again to designate the "art or manner of governing", but with two additional concerns; first, it gave a clear distinction with the government as an institution; secondly, it promoted a new mode of governance based on the participation of civil society at all levels. (lahouij, 2017)

From this perspective we can understand that there is a direct relationship between socio economic development and good governance as socio economic development needs having structures that support the initiation, development and the continuity of economic development. Because in the socio economic development there are many things to be done like creating job employment opportunities for the society so that those with skills can interact with business, supporting self employment schemes so that those with business minded people can carry out their own businesses, creating investment initiatives so that those with capitals and money can invest the country and the region. All these need. The good managerial system that endures the tasks of creating stability in administrative field, create policies and environment in which policy can be developed and work, guarding basic rights of both people and investors, proper legal institutions that arrange all legal aspects governing business and investment. So good governance and socio economic development are two aspects that are inter dependent.

The good governance agenda has been in the ascendant in the field of international development since the mid-1990s. The term 'governance' is broad and far-reaching, and the achievement of 'good governance' is premised on improvements to 'virtually all aspects of the public sector' (Grindle 2004: 525). Promotion of the good governance agenda will involve engagement with a wide range of institutions, from those which set the rules of the game for economic and political interaction, to decision-making structures that determine priorities among public problems and allocate resources to respond to them, to organizations that manage administrative systems and deliver goods

and services to citizens, to human resources that staff government bureaucracies, to the interface of officials and citizens in political and bureaucratic arenas. Getting good governance at times implies changes in political organization, the representation of interests, and processes for public debate and policy decision making. (Earle, 2017).

During the last 4-5 years, the Indian economy has witnessed remarkable improvement in macro-economic environment with lead indicators in positive trajectory. The real GDP growth has increased from 6.4% in 2014 to 7.2% in 2019. Per-capita income at current prices has exhibited an increasing trend from Rs. 79,118 in 2014 to Rs. 1,25,397 in 2019. The overall inflation has contained over the last few years as the WPI inflation decreased from 5.2% in 2014 to 4.4% in 2019 and CPI inflation dipped from 9.5% in 2014 to 3.3% in 2019 which is highly encouraging. The exports growth has steadily increased from 7.8% in 2014 to 12.1% in 2019 and the total trade of the country has improved from USD 764.5 billion in 2014 to USD 769.1 billion in 2019. The fiscal deficit as share of GDP declined from 4.5% in 2014 to 3.3% in 2019. Further, India recorded a consistent increase in foreign inflows over the last few years. The FDI inflows have increased from USD 36.0 billion in 2014 to USD 61.9 billion in 2019. The exchange rate in 2014 was INR/USD 60.5 however it is expected to dwindle between INR/USD 69-67 in 2019. Going ahead, the industry growth is expected to increase from 3.8% in 2014 to 7.8% in 2019, while the services growth is also expected to show a positive trend, increasing slightly from 7.7% in 2014 to 7.9% in 2019. On the flip side, the agriculture sector is expected to grow at 3.8% in 2019. The public consumption has increased from 0.6% in 2014 to 9.2% in 2019. The GFCF grew from 1.6% in 2014 to 12.2% in 2019. (Champer, 2019)

In Somalia, the different regions in the country there are initiatives of socio economic development to promote economic development in the country. Banadir region is the biggest region and the most populated region in the country. Banadir region initiated the first steps of socio economic development of a) understanding the gaps b) the problem c) the priorities to promote economic development But still there are some greater challenges especially in the areas of good governance, public participation in the governance system, public service delivery, transparent public revenue collection and public expenditure that are not very smooth in Banadir region and within the national government and this will effect the socio economic development in Banadir region.



Somalia is a complex political, security and development environment, and much of its recent past has been marked by poverty, famine and recurring violence. However, in 2012, with the establishment of permanent political institutions and important military offensives, Somalia entered into a new period; a period where longer term peace seems possible. After decades of conflict and instability, a federal government was established, built through national dialogue and consensus. When this Federal Government was formed, Somalia was divided and with no clear path to reconciliation and unification Somalia faced the significant challenge of simultaneously building frameworks and institutions, whilst needing to immediately deliver tangible benefits to the Somali people. The challenges that Somalia faces are thus complex, multifaceted and differ according to various political, social and regional contexts. The National Plan recognizes this fact; the strategy set out in this chapter seeks to address these challenges and effectively lead Somalia on a path of recovery, development and a durable peace. (Planing, 2017)

An understanding of Somalia's geography, recent trends in its economy and consequences of the civil strife is important to determining the nature and extent of its poverty. Approximately, 69% of Somalia's population lives below the poverty line. Poverty in Somalia is more pronounced in the IDP camps estimated to be 88% followed by rural areas with 75% and urban areas with areas 67%. At regional level, two specific regions of Somalia; Somaliland, located in the North-West and Puntland, located in the North East, experience more stability with regard to socio economic conditions. Stability in the two areas may have contributed to some improvement in poverty reduction. On the contrary, the Southern part of Somalia is comparatively poorer and suffers from unstable economic conditions and fragile security conditions. The southern part of Somalia, where conflict and confusions reign supreme, is subjected to food shortages and suffers from lack of proper infrastructure. The poor socio-economic and extreme poverty in Somalia can be attributed to a number of factors. The prominent ones being absence of an active and strong central government, civil disputes, natural calamities like floods and droughts. Somalia, witnessed many inhibiting factors including the downfall of the government, and outbreak of civil war, which further aggravated the problem of poverty in Somalia. (Planing, National Development Plan, 2017)

RESEARCH OBJECTIVE

The objectives of this study are:

To obtain the main objectives and concentrate on the research problem, the particular objectives of this study were:

- To explore effect of participatory on socio-economic development.
- To examine the impact of accountability on socio-economic development.
- To determine the relationship between transparent and socio-economic development.
- To investigate the impact of good governance and socio economic development.

REVIEW OF RELATED LITERATURE

Definition of good governance: According to (IFAD, 1999) Good governance is defined as the manner in which power is exercised in the management of a country's economic and social resources for development, also defines governance as a process referring to the way in which power is exercised in the management affairs of a nation. Good governance is generally characterized by accessibility, accountability, predictability and transparency also good governance as having openness, participation, accountability, and transparency as key elements, (Morita, Schiko, & Zaelke, 2007).

In additionally, defines governance as 'the exercise of economic, political and administrative authority to manage a country's affairs at all levels which comprises, mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences, (Rachel, 2012).

Definition of socio-economic development: is refers to a monitored, manipulated or encouraged , process that brings about changes in locations where people live, work, and share things in common (source of quote) as relating to or giving consideration to both social and economic factors. Within the community the process may be experienced as it happens without apparent cause-an insight stemming from a paraphrased (economic development web page, 2013).

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Good governance consist eight major characteristics it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. Therefore researchers are tried to describe any above character of good governance from previous explore.

According to Amos, Graham, & Plumptre, (2003) participatory is all men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their intention, also participatory is such broad participation is built on freedom of association and speech, as well as capacities to participate constructively. Participation is an involve consultation in the development of policies and decision-making, elections and other democratic processes, (Mercy Corps, 2000). However these definitions agree that the participatory is to give a freedom on society to participate political, economical and social decision through represent, election and association.

The process of establishing mutual understanding among diverse stakeholders about what is in the best interest of the whole community or society and the general direction for achieving that vision, (Mercy Corps, 2000). Good governance mediates differing interests to reach a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures, (Amos, Graham, & Plumptre, 2003). On the other hand these explanations are also concur that consensus is to receive the best interest of whole public and social and how this can be achieved, but above definitions fail to inform that consensus oriented requires a broad and long term perspective on what is needed for sustainable human development and how to achieve the goals of such development.

According to Amos, Graham, & Plumptre, (2003) accountability is when Decision-makers in government, the private sector and civil society organizations are accountable to the public, or society, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external. Also accountability is a key requirement of good governance and constitutes the other side of participation, (Mercy Corps, 2000). About above definitions have the same opinion that an accountability is a decision makers like government, civil society organization and private sector be accountable to the community that they are serve, but it disregard that an accountability about in a generally an organization or an institution is accountable to those who will be effect by its decision or action. And

accountability cannot be enforced without transparency and role of low.

Transparency means that decisions, and their enforcement, follow established rules and regulations; it also means that all people who will be affected by such decisions have access to easily understandable information in local languages and accessible to illiterate and blind/deaf community members, (Mercy Corps, 2000). Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them, (Amos, Graham, & Plumptre, 2003). on the other hand this on top of definitions are have the same opinion that the transparent is decision and their enforcement follow established rule and regulation, and it is received full information and understandable that can understand. But beyond definitions are ignore that transparence provided in easily understandable forms and media.

According to Mercy Corps, (2000) responsiveness is when good governance requires that institutions and processes seek to serve all stakeholders within a reasonable timeframe and have mechanisms for soliciting ideas and giving updates to constituents. Responsiveness is an institution and processes try to serve all stakeholders, (Graham, Amos, & Plumptre, 2003). These two descriptions are use same opinion about responsiveness that it is good governance required the institutions and the process try to be serving all stakeholders within responsible timeframe.

METHODOLOGY

To explore the impact of good governance on socio-economic development this chapter discussed the methodology of the study. The chapter consists of seven sections. First section, the study presents research design followed by research population including sample size and sampling procedure. To verify the technique, the third section provides research instrument with the validity and reliability of the instrument followed by data gathering procedures. To analyze the data, section five presents data analysis followed by the ethical consideration of the study, while final section presents the constraint/ limitation of the study.

CONCLUSION

Good governance is one of the fundamental prerequisites for the successful socio-economic development in a country. Governance usually plays a key role in the area like health, education, infrastructure, capital market regulation,



macroeconomic stability, safety net provision, the legal system, creation of a good business environment, and the environment protection, all of which are preconditions and basic features of the developed economy. Therefore characteristics of good governance like accountability, transparent, responsiveness, rule of law, and others are absent more than 20 years in Somali country because lack of government. Also at end of last year 2012 Somalis restart the way of democratic government that elected a new president and a new government system that seems to practice some characteristics of good governance , and during this time Banadir region restored peace building, and great hope about socio economic development.

RECOMMENDATIONS

- To improve Good governance plays an important role in providing strategic direction for social development and helping them to foster commitment.
- People can choose to become leaders. People can learn good governance to reduce social conflict.
- To providing cost-effective and efficient public services.
- The inequitable distribution of central government aid and the ability of local governments to issue rules and regulations specific to their sub-national government hinders intergovernmental cooperation.
- Resource-rich regions may provide better services than resource-poor regions and there is no direct incentive to cooperate and provide services jointly.

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